

FIGHTING WATER PUBLIC-PRIVATE PARTNERSHIPS



Water is a public trust; it belongs to every one. But water privatization is sneaking through the back door in the form of public-private partnerships. What does it mean? What can you do?

What are Public-Private Partnerships (P3s)?

Under P3 arrangements the private sector plays a key role in financing, designing, building, operating or even owning facilities or infrastructure that are otherwise designed to be public services. While the forms of P3s vary, they can allow private corporations to plan, finance, build, and operate public facilities – usually at a much higher price than if a municipal government were to retain control.

What is wrong with P3s?

When private companies take over a public project, the focus shifts away from the public interest and meeting community needs, to ensuring a profit for the companies' shareholders.

- **Quality goes down.** Companies cut costs by paying workers less, not offering them benefits or permanent jobs, and reducing health and safety measures. High staff turnover means the quality of services goes down and risks to the community increase.
- **Higher costs.** There are many examples of how P3s cost the public more since interest on loans to the private sector is higher than when the public sector borrows. Many P3s cost tens of millions of dollars before contracts are even signed, and deals are costly and difficult to get out of. Money that should have gone to community water treatment ends up in the hands of lawyers, consultants, and for-profit companies.
- **Secrecy.** The interest of commercial confidentiality overrides policies to protect the public's right to know about how their money is being spent.
- **Loss of accountability.** Public control is compromised because public standards are seen as obstacles to successful business ventures. Even municipal councillors have been kept in the dark about the financing and operation of community water facilities.

What are some examples?

The municipalities of Hamilton, Ontario; Halifax, Nova Scotia; Moncton, NB; and Vancouver and Nanaimo, B.C., are just a few of those who have gone far enough down the P3 road to learn that it was a raw deal for their communities. The list of Canadian and U.S. cities, where P3s have been tried and failed, is long. For more information, please visit www.cupe.ca/privatization/water and <http://www.citizen.org/documents/waves.pdf>.

Why are governments interested?

Many governments see P3s as a way to invest in infrastructure, without the full expense of the project appearing all at once. These deals allow governments to make announcements about new facilities, without showing the costs for several years.

What are the alternatives?

The tried and true public funding model is less expensive, more accountable and more transparent than the P3 model. After years of neglect, public infrastructure requires new investment. Our democratically elected governments are best placed to answer the call.

What can I do if a P3 is proposed for my community?

- Organize a meeting to talk about the issues. Invite other concerned community groups, labour organizations and concerned citizens to talk about the issue. Sign people up to take action.
- Build public support. Letters to the editor, community meetings or panel discussions with a petition or action for people to participate in are great strategies. Ask to make a presentation to your municipal/town/city council.
- Call the city to find out if a "Request for Proposal" has been issued and ask for a copy along with any other information you can get.
- Contact your municipal councillors for any other information. Stay in touch with officials that are supportive of your concerns, and strategize about ways to stop the P3 project from moving forward.

For more information about the Council of Canadians' National Water campaign, check out www.canadians.org or call 1-800-387-7177.